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Don't be Fooled by Fake Sponsorships in Sweepstakes Scams

By Jon Bruning, Nebraska Attorney General

Thieves are constantly finding new ways to trick consumers out of their money.

Our office recently uncovered a new sweepstakes fraud that lists false sponsorships to deceive consumers into participating. The sweepstakes notice contains the logo of Virgin Mobile USA, a cellular phone company in England. Our office investigated and found Virgin Mobile is not involved in the sweepstakes.

The scam notifies consumers by mail that they are winners in a sweepstakes contest that appears to be sponsored by Virgin Mobile and several other legitimate businesses, including McDonald's, Wal-Mart, Pizza Hut, Sears, Budget Rent A Car, and Gap. The letter states that the consumer has won tens of thousands of dollars in the contest, but must pay a "clearance fee" to receive the prize because the award money is bonded. A check from one of the sponsors is enclosed in the letter to cover the costs of the clearance fee. The consumer is instructed to deposit the check and send the money back to the sweepstakes organizers. The check is fraudulent, and consumers lose the money they send.

Our Consumer Protection Division immediately contacted sponsors listed on the letter. The companies confirmed they are not associated with the sweepstakes contest. One "sponsor" learned checks for up to \$4,720 were being written from one of its bank accounts. As a result of our investigation, the account has been closed.

Look for these warning signs of sweepstakes fraud:

1. You are notified that you've won a contest you did not enter.
2. You are asked to pay money to receive your free prize or award. This includes fees for shipping and handling and gift taxes.
3. You are sent a check to cover the costs for receiving your prize.
4. You are pressured to make an immediate decision or to keep your "winnings" a secret from family and friends.
5. A mailing is sent to you at the bulk mail postage rate, but is marked "urgent" or "priority mail".
6. You are being contacted by a business or lottery in another country.

Remember, if it seems too good to be true, it probably is. You work too hard for your money to lose it in a scam.

If you have any questions or believe you are a victim of sweepstakes fraud, contact the Attorney General's Consumer Protection Division, toll free at (800) 727-6432 or visit our Web site at www.ago.ne.gov.